

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

906B0552

## HOUSE ENGROSSED NO. **SB109** - 2/20/98

Introduced by: Senators Halverson, Dennert, Flowers, Paisley, and Shoener and  
Representatives Cutler, Cerny, Duniphan, Gabriel, Hagg, Haley, Hunt, and Roe

1 FOR AN ACT ENTITLED, An Act to revise provisions concerning stop loss or excess  
2 insurance.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-18B-35 be amended to read as follows:

5 58-18B-35. The director shall promulgate rules pursuant to chapter 1-26 regulating the  
6 ~~issuance of stop loss or excess insurance covering health claims of employees. The director shall~~  
7 ~~also promulgate rules regulating the solicitation and sale of multiple employer trusts and multiple~~  
8 employer welfare arrangements. In considering the promulgation of rules pursuant to this  
9 section, the director shall take into consideration, the status of the small employer market, the  
10 impact such rules would have on the availability of health insurance and the impact such rules  
11 may have on the fair marketing of health insurance in this state. Rules promulgated pursuant to  
12 this section may not directly or indirectly affect stop loss or excess insurance covering health  
13 claims of employees arising from self-funded employee health programs. The rules may cover:

- 14 (1) Suitability and eligibility of insureds for coverage;  
15 (2) Method of premium payments;

- 1       (3) ~~Minimum stop loss amounts including specific and aggregate attachment points;~~
- 2       (4) Contractual obligations and policy provisions of carriers;
- 3       (5) Form filing requirements, including those for approval and disapproval;
- 4       (6) Reporting and recordkeeping requirements;
- 5       (7) Definition of terms; and
- 6       (8) Eligibility of insurers.

7       Section 2. That § 58-18-52 be amended to read as follows:

8       58-18-52. Notwithstanding the provisions of chapter 47-34, §§ 47-15-2, 47-22-4, and  
9       47-14-2, any organization may form for the purposes of purchasing group health insurance on  
10      a voluntary basis. For purposes of §§ 58-18-52 to 58-18-62, inclusive, an organization means  
11      any nonprofit organization or nonprofit corporation formed under South Dakota law. Stop loss  
12      or excess insurance may be purchased in the same manner as group health insurance is purchased  
13      pursuant to §§ 58-18-52 to 58-18-62, inclusive.

1 **BILL HISTORY**

2 1/20/98 First read in Senate and referred to Commerce. S.J. 120

3 1/22/98 Scheduled for Committee hearing on this date.

4 1/22/98 Commerce Do Pass, Passed, AYES 6, NAYS 0. S.J. 161

5 1/22/98 Commerce Place on Consent Calendar.

6 1/23/98 Second reading of consent calendar items.

7 1/23/98 Second reading of consent calendar items.

8 1/23/98 Second reading of consent calendar items. S.J. 181

9 1/23/98 Senate Do Pass, Passed, AYES 33, NAYS 0. S.J. 181

10 1/26/98 First read in House and referred to Commerce. H.J. 250

11 2/17/98 Scheduled for Committee hearing on this date.

12 2/17/98 Commerce Do Pass, Passed, AYES 13, NAYS 0. H.J. 688

13 2/17/98 Commerce Place on Consent Calendar.

14 2/18/98 Second reading of consent calendar items.

15 2/18/98 Second reading of consent calendar items.

16 2/19/98 Motion to Amend, Passed. H.J. 785

17 2/19/98 House of Representatives Do Pass Amended, Passed, AYES 64, NAYS 1. H.J. 785

18 2/19/98 House of Representatives Title Amended Passed. H.J. 786